

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:2546

ANSWERED ON:10.05.2016

FRP of Sugarcane

Tanwar Shri Kanwar Singh

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the details of the factors taken into account for finalising the Fair and Remunerative Price (FRP) of sugarcane and the institutions involved for the purpose;
- (b) whether the Government has received requests/representations for hiking the FRP of sugarcane during the current sugar season and if so, the details thereof and the reaction of the Government thereto;
- (c) whether the Government has issued any advisories/directives to the States for ensuring remunerative price to sugarcane farmers and if so, the details thereof and the reaction of the States thereto; and
- (d) whether the Government proposes to hike the import duty on sugar to protect the interest of domestic sugar industry and sugarcane farmers and if so, the details thereof?

A

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a): The Central Government fixes Fair and Remunerative Price (FRP) of sugarcane having regard to the factors mentioned in Clause 3(1) of the Sugarcane (Control) Order, 1966 viz., cost of production of sugarcane; return to the growers from alternative crops and the general trend of prices of agricultural commodities; availability of sugar to consumers at a fair price; price at which sugar produced from sugarcane is sold by sugar producers; recovery of sugar from sugarcane; realization made from sale of by-products viz. molasses, bagasse and press mud or their imputed values; and reasonable margins for the growers of sugarcane on account of risk and profits. The FRP so fixed is based on the recommendations of the Commission for Agricultural Costs and Prices (CACP) and after consultations with State Governments and other stakeholders. FRP of sugarcane, linked to recovery rate, is uniform throughout the country.

â€²2/-

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(b): Representations from Bhartiya Kisan Union and Indian Farmer Organisation of Uttar Pradesh seeking fixation of FRP of sugarcane for the sugar season 2015-16 respectively at Rs. 350 per quintal and Rs. 300 per quintal have been received. There is no proposal to revise the FRP of sugarcane for the current sugar season 2015-16 which has already been fixed at Rs. 230 per quintal at basic recovery rate of 9.5% with a premium of Rs. 2.42 per quintal for every incremental increase of 0.1% in the recovery rate.

(c): There are standing provisions in the form of Clause 3(2) of the Sugarcane (Control) Order, 1966 according to which the FRP is a benchmark guaranteed price of sugarcane determined by the Central Government below which no sugar mill can purchase sugarcane from cane growers.

(d): No, Madam. Does not arise.
